



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

March 3, 2008

Mr. Darin Holcombe, CFO
Hitchcock and Holcombe, Inc.
8421 Auburn Boulevard, # 150
Citrus Heights, CA 95610

Dear Mr. Holcombe:

RE: **FINAL MONITORING VISIT REPORT** for Hitchcock and Holcombe – **ET06-0250**

Date of the Visit:	January 25, 2008
Beginning/Ending Time:	12:00 pm – 2:00 pm
Date of Last Visit:	May 8, 2007
Visit Location:	Sacramento
Persons in attendance:	Steve Hitchcock, CEO and Darin Holcombe, CFO both of Hitchcock and Holcombe; and Kristie Ohta, Program Analyst of the Employment Training Panel
Action Required:	NO

Term of Agreement:	February 7, 2006 February 6, 2008	Agreement Amount:	\$553,080
Training Start Date:	February 7, 2006	No. to Retain:	700
Date Training must be Completed:	November 6, 2007	Range of Hours:	40 - 60
Type of Trainee:	Retrainee	Weighted Ave. Hours:	N/A

FINAL REPORT SUMMARY:

• HISTORY OF AGREEMENT CHANGES

ETP approved Technical Agreement Amendment No. 1 on March 23, 2006 which included training to be provided in Rancho Cordova, California.

ETP approved Agreement Modification No. 2 on October 24, 2006, to redistribute 100 trainee slots from Job No. 2 to Job No. 5. This move allowed Hitchcock and Holcombe to provide training to companies employing more than 100 employees.

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ETP approved Agreement Modification No. 3 on December 28, 2006. This revision allowed Hitchcock and Holcombe the flexibility to provide training in Los Angeles, San Diego, Fresno, Salinas and Tulare Counties.

- **INTERVIEW WITH THE SIGNATORY, Mr. Darin Holcombe, CFO
Mr. Steve Hitchcock, CEO**
- What barriers, if any, did your company experience in implementing your ETP project?
The same as we always face. That is convincing our clients that these funds are available.
- What problems, if any, did your company experience with ETP record keeping?
None, the database we created seemed to work fine for our analyst. We are now using the ETP tracking system, and although a little clunky, it has made tracking the classes even easier.
- What assistance could ETP have provided that would improve the process for future Contractors?
Let Contractor's know what the rules will be up-front, and not change them after the contract is in place, and our clients have been given the specifics of what they must provide. A little faster processing of invoices is always appreciated too.
- How did your company benefit from the ETP training?
Our clients are very happy with the funds we are able to provide to help supplement the other training plans they have in place.

Mr. Holcombe & Mr. Hitchcock provided Ms. Ohta with projected statistics for the closeout of the Agreement 569 (82% percent of planned retentions) trainees for a total reimbursement of \$454,009.25 (82 percent of the encumbered amount). Mr. Holcombe and Mr. Hitchcock stated that the closeout invoice will be submitted by March 1, 2008.

Hitchcock and Holcombe records show that 569 trainees have completed training (82% of planned retentions) and 569 trainees have completed the 90 day retention period (82% of planned retentions). Hitchcock and Holcombe projects earnings to be \$454,009.25 (82% of the encumbered total \$553,080). Current records show that Hitchcock and Holcombe has received \$444,009.25 in progress payments, of which \$431,983 has been approved as earned. Ms. Ohta reminded Hitchcock and Holcombe that the closeout invoice should be submitted no later than 30 days after the end term date of the Agreement

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	578	Completed Retention:	577
Dropped Following Enrollment:	9	In Retention Period:	0
Completed Minimum Hours for reimbursement:	577	Awaiting Placement:	6
Completed Training:	577		

AUDIT:

Hitchcock and Holcombe will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If there are any questions or comments regarding this report, please contact your program analyst, Kristie Ohta at kohta@etp.ca.gov or 916.327.5586 within ten (10) working days from receipt of this report.

Sincerely,



Ruby Cohen, Manager
Sacramento Regional Office



Kristie Ohta, Program Analyst
Sacramento Regional Office

cc: Steve Hitchcock – steve@pctraining4u.com
David Guzman – Program Operations Division Chief
Kulbir Mayall, Fiscal Manager
Project File